

# Verve Group

## Q1 Report 2025

Let's make media better.

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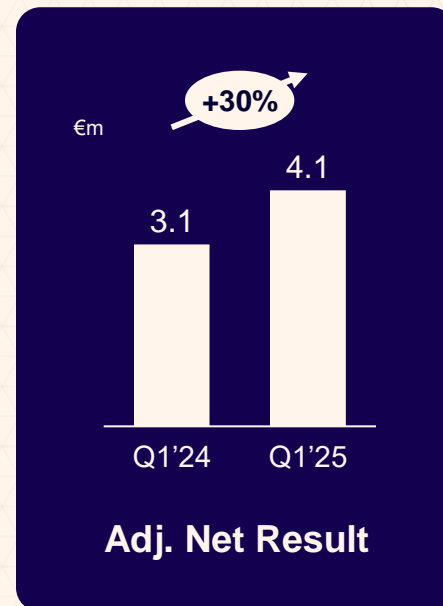
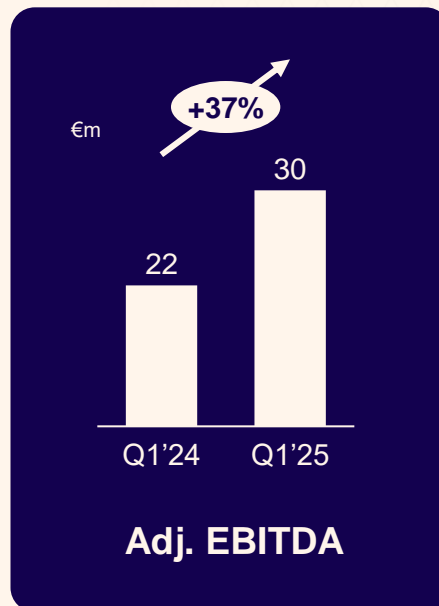
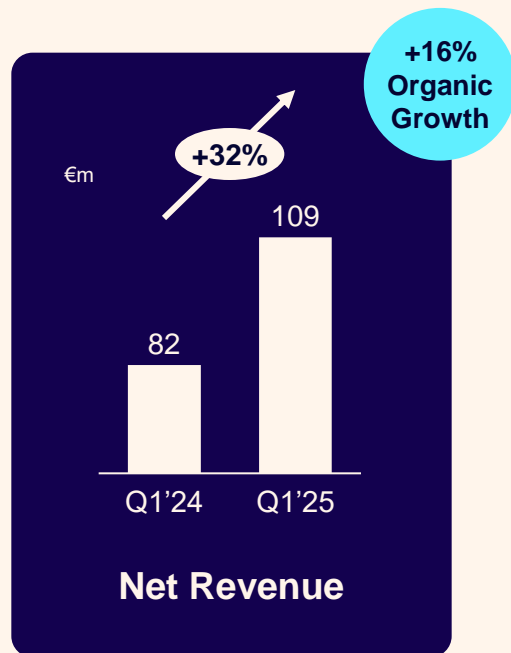
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# Q1 Performance Highlights

# Strong Growth and Further Improved Profitability in Q1 2025

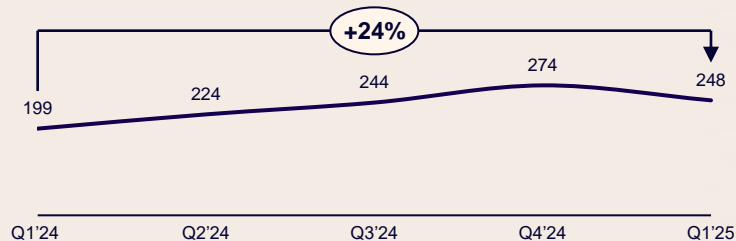
Revenue growth (+32%) continues to lead to positive scaling effects (+37% EBITDA)



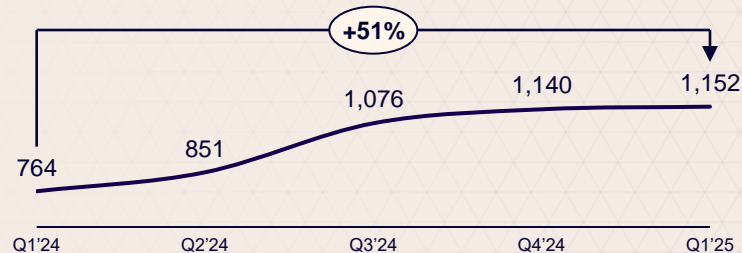
# Growth Driven By Scaling of New Customers

Seasonal effects: Fewer days and seasonal lower ad spend impact Impressions and Net Dollar Expansion Rate

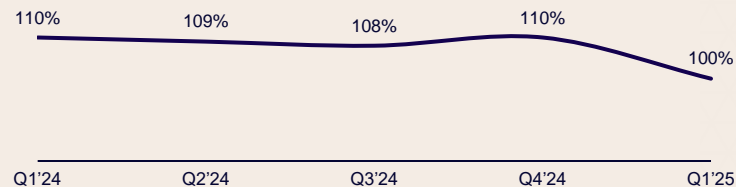
## Ad Impressions (billions)



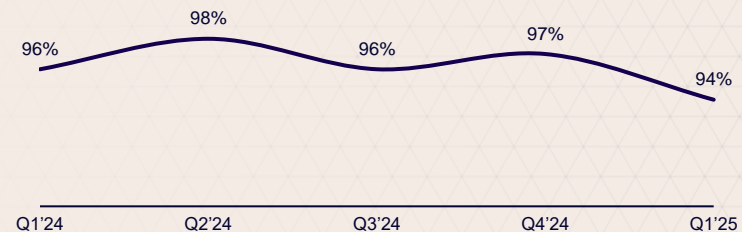
## Number of >100k \$ Software Clients



## Net \$ Expansion Rate<sup>2</sup>



## >100k \$ Client Retention Rate<sup>1</sup>



5 Notes: (1) includes demand and supply partners > USD 100k gross revenues per year (2) Q1'24 Net \$ Expansion Rate based on Programmatic Exchange Business, since Q2'24 based on total media business, Q4'24 onwards calculated in line with organic growth methodology





**Creating Results  
for Our Customers**

# Monetization is what matters for publishers...

... especially as they face growing challenges such as declining on-page traffic from AI-driven search and the need to monetize ID-less audiences.

- ✓ Selling the ad-spaces at best price and with a high fill rate
- ✓ Maximizing earnings, ensuring customer privacy, not annoying customers, and leveraging customer relations & data

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**Verve's success is built on our unified ecosystem**



# Boosting Outcomes for Our Publisher Partners



SmartNews

141% QoQ revenue growth for SmartNews<sup>1</sup>, enabling pre-packaged deals and direct demand relationships

*“Verve’s strategic partnership, excellent customer services, along with the introduction of pre-packaged deals led to significant open exchange revenue growth.”*

Adam Sadur (SmartNews)  
Head of Programmatic

141%

QoQ revenue growth

56%

eCPM increase

39%

QoQ fill rate increase



Microsoft

138% increase in annual ad revenue per user for Microsoft app publishers<sup>2</sup>, by leveraging Verve’s Brand+ Marketplace, enabling both open auction and PMP deals

*“Verve has been excellent at building a great working relationship with Microsoft based on trust and impressive results.”*

Vijay Rajagopalan (Microsoft)  
Head of Engineering, Developer  
Monetization Platform

20%

Increase in average quarterly ad revenue

138%

Increase in annual ad revenue per user

108%

Increase in annual Windows Store traffic

Notes: (1) SmartNews is a leading AI-powered news aggregator with approximately 5–6 million monthly active users worldwide as of 2024, and has ranked among the top 10 news apps globally. The platform is recognized for its high user engagement and partnerships with major publishers, earning awards such as “Best Local News App” and “BesNews Aggregator” in the US in 2023 and 2024 / (2) The partnership with Microsoft pertains to its app business. Microsoft is both a major app developer and publisher, and it enables third-party developers from over 120 countries to publish ad-supported apps in the Windows App Store.





# Impact is what matters for advertisers and their agencies...

... amid rising challenges like reaching ID-less audiences, avoiding stacked ad tech fees and margin leakage, and ensuring measurable outcomes.

- ✓ Reaching the right target group with the right message in the right channel, for brand and performance
- ✓ Budget efficiency, brand safe, no fraud, and privacy compliant
- ✓ Insights & measuring, easy to use (AI) tools and support

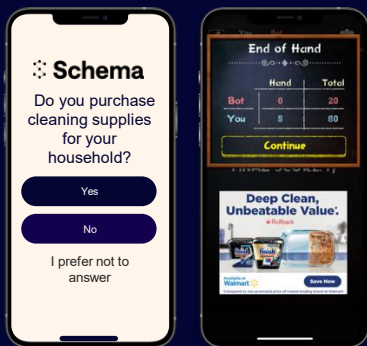
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**Verve's success is built on our unified ecosystem**



# Boosting Outcomes for Our Advertiser Partners

We generated an 18% lift in brand sales for Finish Ultimate at Walmart



Finish Ultimate aimed to drive in-store product sales for its dishwasher pods at Walmart. We leveraged consent-based, zero-party polling data to identify purchasers, then delivered audio and display ads with direct-to-cart functionality across our premium mobile supply. Sales performance was tracked and independently validated by ABCS, a recognized leader in CPG data and measurement.

+8.3%

Household penetration\*

+3.2%

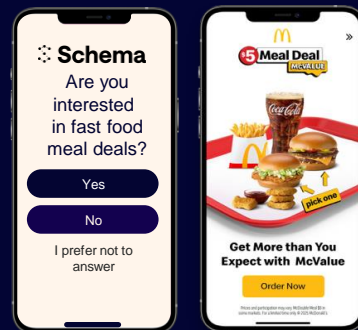
Sales per buying occasion\*

240K+

Product cartings

\*Compared to the brand's buying norms

We drove a 31% incremental lift in foot traffic for McDonald's



Verve partnered with McDonald's to increase store visits for its meal deals by targeting "meal deal seekers" with high-impact in-app display ads, with incremental foot traffic independently measured by Foursquare using multi-touch attribution.

628.4K

Total store visits

6.8%

Store conversion rate

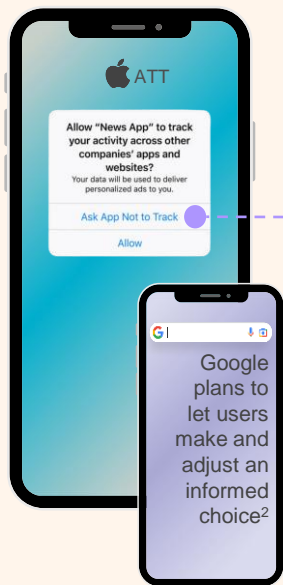
1.5%

Click through rate\*

\*Compared to 1% benchmark

# Update on the Transition into AI-Driven ID-Less Advertising

Momentum for ID-less builds as results improve and demand rises



## ID-less traffic offers vast untapped potential for advertisers and publishers<sup>1</sup>

### Cost-effectiveness

**+36%**

Verve ID-less inventory is 36% cheaper than ID-based

### + Performance

**83%**

ID-less campaign performance is 83% on par with ID-based (as measured in CTR %)

### = Efficiency

**+30%**

ID-less campaigns are 30% more efficient than ID-based campaigns

	Relative eCPM <sup>3</sup>	Average CTR <sup>4</sup>	Average Win rate
Without ID	0.64x	0.10%	<b>67%</b>
With ID	1x	0.12%	55%

- ✓ 30% of our iOS SDK traffic is now ATOM enabled.
- ✓ First ATOM Android version launched, aiming to reach double digit adoption by year-end.
- ✓ Our gesture-based model now predicts gender with over 70% accuracy, based solely on swipe patterns.

Notes: (1) Based on combined traffic of performance+ and brand+ marketplace for banner inventory. (2) Tech Crunch, retrieved February 26, 2025, URL: <https://techcrunch.com/2024/07/23/googles-latest-privacy-sandbox-gambit-could-pit-user-choice-against-tracking/>. (3) eCPM (effective Cost Per Mille) is a standardized metric used in digital advertising to measure the estimated earnings or cost per 1,000 impressions. (4) CTR (Click-Through Rate) measures the ratio of users who click on an ad to the number of times the ad is shown (impressions).



# We continue to invest in getting better

## Expansion & Unification

Unifying and aggressively growing our salesforce  
Globalizing our offering / product portfolio / getting sector specialists  
Increased brand recognition and unified global go-to-market approach

started in Q2  
started in Q1  
ongoing

## Platform Unification

Getting all Infra at one platform (GCP)  
Single, integrated supply & demand & data platform architecture  
Improved performance and efficiency

done  
e.o. 2025  
ongoing

## Product Innovation

Continuing our focus on ID-less targeting  
Focus on AI driven measuring/data/targeting optimization  
Sector & channel based innovation (e.g. retailmedia, digital audio)

ongoing  
ongoing  
ongoing

## Capital markets

Uplisting to the regulated market in Frankfurt  
Successful bond refinancing leading to lower interest costs  
Further focus on our investor relations

Q2  
Q2  
ongoing

Fully unified end-to-end platform by year-end 2025



Continuing to innovate and make media better.



# FINANCIALS

Let's make media better.

# First Quarter Financial Highlights

Strong start to the year with 32% revenue growth and 37% adj. EBITDA growth

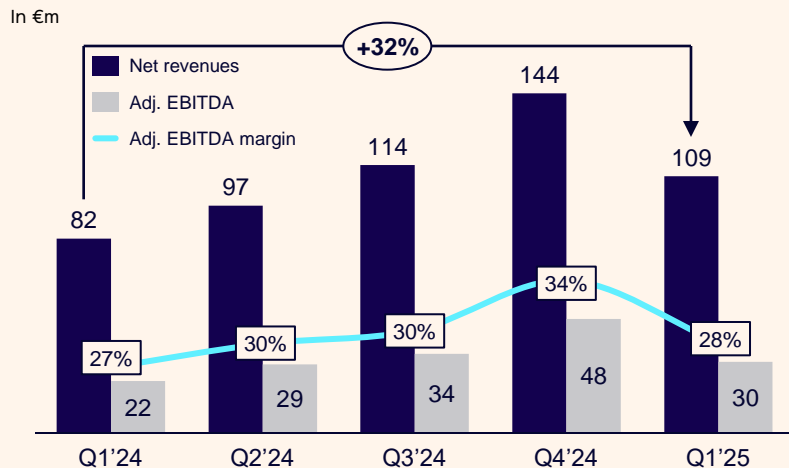
## Strong Growth

**32%**

Revenue Growth<sup>1</sup>

**16%**

Organic Revenue Growth  
adjusted for M&A and FX



## Highly Profitable and Cash Generating

Profit growth exceeds revenue growth

**37%**

Adj. EBITDA  
growth<sup>2</sup>

**40%**

Adj. EBIT  
growth<sup>2</sup>

Attractive margin levels

**28%**

Adj. EBITDA margin

**21%**

Adj. EBIT margin

Cashflow in line with expectations

**23 €m**

Operating Cash Flow  
(before NWC changes)

**-10 €m**

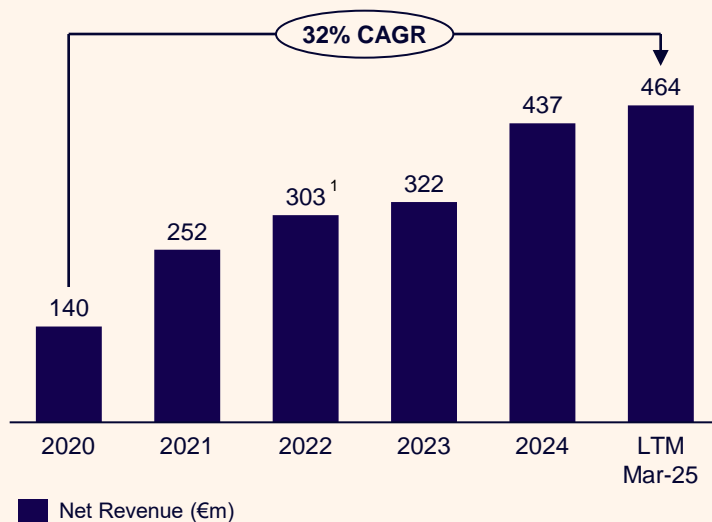
Investing Cash Flow  
(excl. M&A)



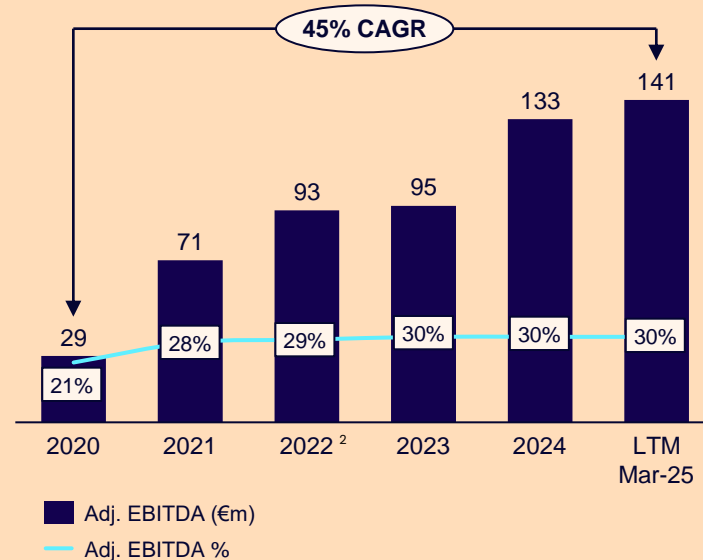
# Q1 Continues Strong 5-Year Revenue and Profit Growth

Proven ability to convert investments into sustainable revenue growth and attractive returns

## Revenue Growth



## EBITDA Growth<sup>2</sup>



15 Notes: (1) 2022 revenue normalized by €21m for FX effects and divestments, (2) EBITDA adjusted for one-time, M&A and financing costs

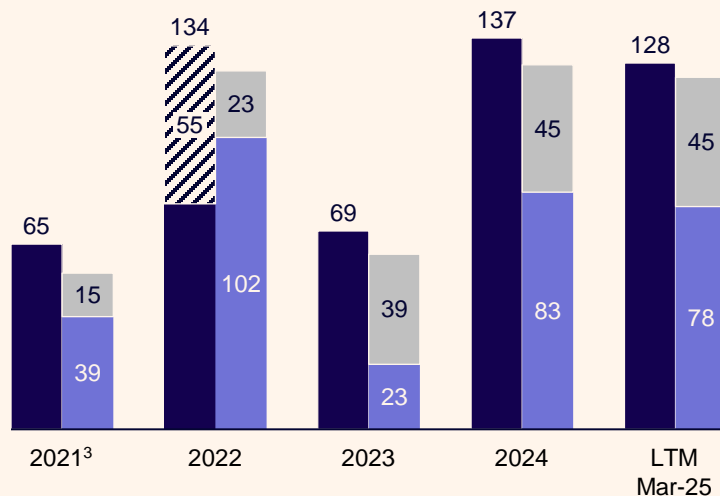


# Continued Investments in Technology Differentiation and Organic Growth

Q1 Free Cash Flow generation in line with seasonality and anticipated tax payments

## Operating cash flow development<sup>1,2</sup>

In €m

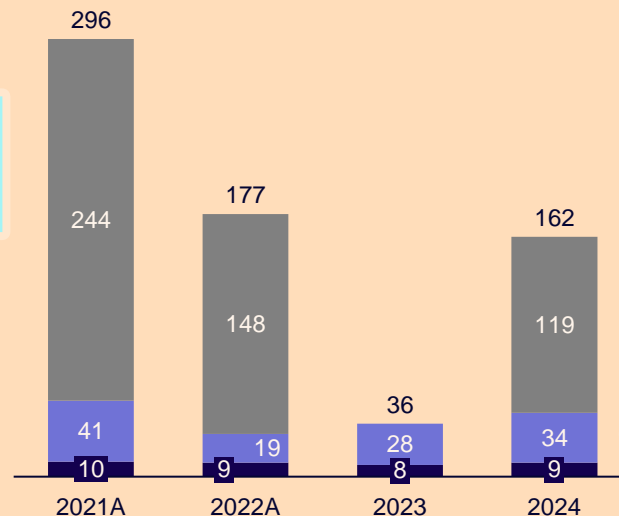


Normalization working capital  
 Operating Cash Flow  
 Free Cash Flow after Interest Expenses  
 Cash Interest Expenses

Bond refinancing will lower our cash interest expenses from Q2

## Capex development

In €m



Maintenance Capex<sup>4</sup>  
 Expansion Capex<sup>5</sup>  
 Acquisition Capex

€40-45m in annual capex investments to remain constant

16 Notes: (1) Operating cash flow defined as in the annual IFRS financial statements, (2) Free cash flow defined as: Operating cash flow, less interest expenses, less maintenance capex, (3) Starting 2021A only includes Cash Interest Payments, (4) Maintenance Capex not an IFRS definition, with maintenance capex the lifetime of assets is significantly extended, (5) Expansion capex primarily includes investments in the advertising software platform, IP-rights and further investments in the Group's infrastructure

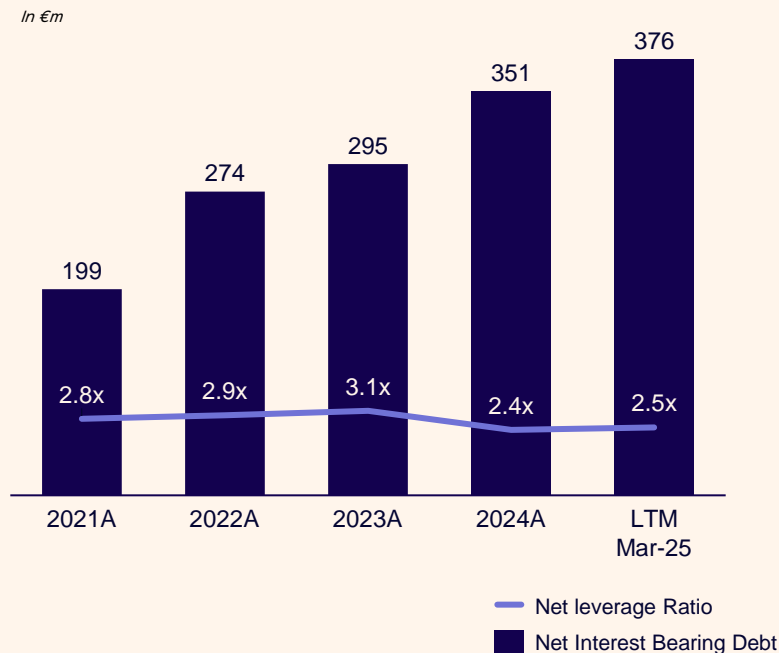




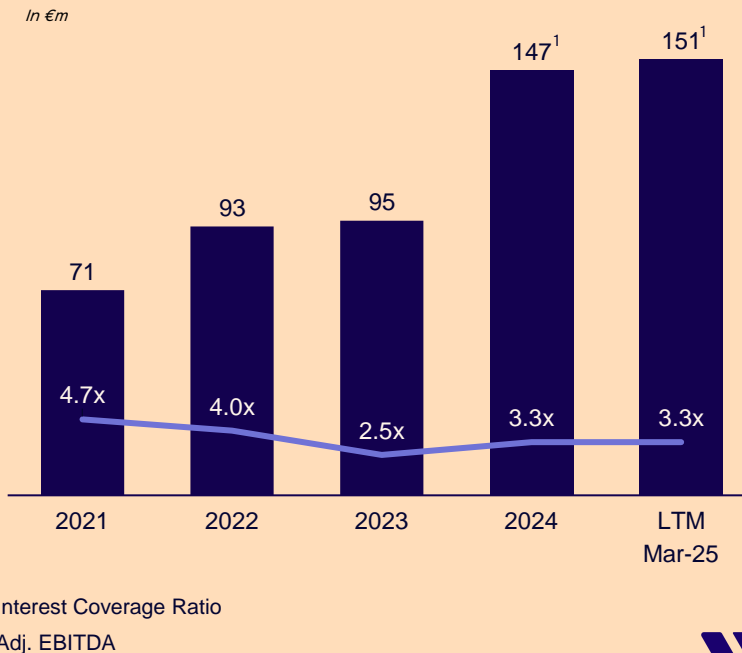
# Deleveraging a Continued Focus Point for 2025

Ratios largely maintained into Q1; Net Leverage Ratio slightly up due to some one-off larger cash payments during Q1

## Net Leverage Ratio



## Interest Coverage Ratio



# GUIDANCE FY 2025

Let's make media better.

# FY2025 Guidance - Considerations

## **Macro and Ad Spend Outlook**

Macro economic uncertainty leads us to guide with wider revenue outcome range for full-year 2025

## **USD FX sensitivity**

Notable fluctuations in Q1 and Q2; we anticipate potential FX translation impacts of up to  $\pm 2\%$  on full-year basis

## **Competitive & Regulatory Shifts**

Antitrust actions, including a potential Google breakup, expected to level the playing field

## **Privacy-First Tailwinds**

Continued shift towards privacy drives opportunity for AI-driven ID-less targeting

## **Generative AI & Attention Shift**

Consumer behavior change towards LLMs leads to tailwinds for Verve's core channels mobile in-app and CTV

## **Market Consolidation**

Increasing investment & partner requirements: Verve well-positioned to gain market share in emerging channels



# Our Guidance For FY2025: Continuing our Strong Growth Path

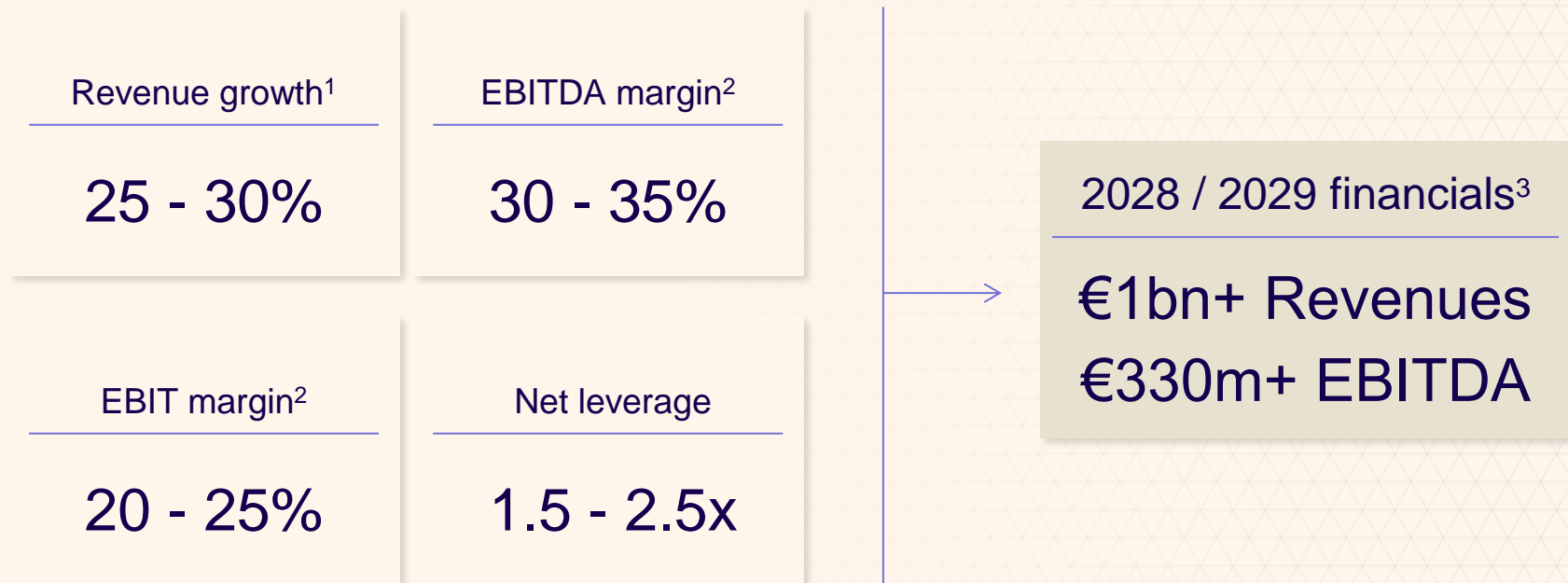
	2024 Actuals	2025 Guidance	YoY Growth
<b>Net Revenue</b> (in €m)	<b>437</b>	<b>530 – 565</b>	<b>21 - 29%</b>
<b>Adj. EBITDA</b> (in €m)	<b>133</b>	<b>155 – 175</b>	<b>16 - 31%</b>

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# Verve Group's Mid-Term Growth Perspective

Mid-term understood as 3 to 5-year time horizon



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# In Summary We Will...

- ✓ Continue investing in ID-less and AI
- ✓ Leverage our direct supply
- ✓ Finalize platform unification by EOY
- ✓ Invest in brand and agency sales
- ✓ Expand omni-channel capabilities

To gain market share by delivering measurable outcomes for our customers with focus on AI-driven, ID-less targeting and access to direct supply...



...despite macroeconomic uncertainties, we will keep investing in these growth drivers, with the potential to reach €1 billion net revenue within three to five years.

# One Brand, One Team, One Mission

**Let's make media better.**

